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Iraqis Irked By Provision of Intelligence to Iran, Ambassador Says

By JOAN MOWER, Associated Press Writer

Iraq's ambassador to the United States said Monday his government is upset that the Reagan administration gave intelligence information to Iran in early 1986, shortly before Tehran scored an important military victory.

"I think that intelligence provisions are even more dangerous than providing arms and military equipment to the government, "Iraqi Ambassador Nizar Hamdoon said in a telephone interview with The Associated Press.

Hamdoom, whose country also has received intelligence help from the United States, said officials in Baghdad were perturbed that the administration reportedly handed over information to Iran in late January and early February of last year.

A few days later, on Feb. 9, 1986, Iran launched an offensive, capturing the oil port of faw within days. Its occupation dealt a serious blow to Iraqi morale and brought the war, now over 6 1/2 years old, to within 15 miles of the Kuwaiti border.

"Obviously, we were upset about it," Hamdoon said, adding that the intelligence aid to Iran came weeks before the invasion of Faw peninsula.

A preliminary report on the Iran-Contra case, released last week by the Senate Select Committee on Intelligence, said intelligence material was prepared to be given to Iranian arms dealer Manucher Ghorbanifar on Jan. 26, 1986 and in mid-february.

CIA officials, including the new intelligence director, Robert Gates, A objected to providing the material to Shorbanifar, who was an intermediary in the sale of U.S. arms to Tehran.

"Gates testified that he objected to the release of some specific intelligence relating to Iraq but that he was overruled by the NGC (National Security Council). ... A CIA official was directed to take the intelligence sample to Chorbanifar," the report said.

The report also quotes former CIA Deputy Director John McMahon as objecting A to the move because Shorbanifar could not be trusted and "because intelligence could give Iran an advantage in the war. "But McMahon testified that (former NSC adviser John) "Poindexter insisted, and he (McMahon) obeyed," the report said.

The report does not specify what type of information was shared with bhorbanifar. Asked about any intelligence help received by Iran, State Department spokesman Charles E. Redman said, "I just don't have anything I can help you with. "The United States says it is neutral in the war and wants to see the bloody conflict brought to a close without victor of vanquished.

The administration, however, has helped both sides in the conflict, selling arms to Tehran since August 1985 and secretly providing Iraq with information about Iranian defenses last year.

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In December, two U.S. officials, speaking on condition they remain anonymous, confirmed that information from U.S. satellite reconnaissance photographs was turned over to Iraq, whose pilots used them to pinpoint targets in bombing raids on Iranian oil terminals and power plants.

The rationale for giving Iraq the data, the officials said at the time, was to prevent the smaller country from being overrun by Iran's larger forces.

Fred Axelgard, a Middle East fellow at the Center for Strategic and International Studies, a private think tank, said Iran has had the offensive in the war for five years.

Any U.S. intelligence would be a big boost for Tehran, he said. At the same time, he said, it was "difficult to swallow" the idea that the Iraqis lost the faw peninsula in February 1986 because of U.S. intelligence.

The Iraqis were caught by surprise and then proved to be militarily inflexible, he said.

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CASEY RESIGNATION LEAVES UNANSWERED QUESTIONS ABOUT IRAN ROLE By BRYAN BRUMLEY WASHINGTON

A William J. Casey's resignation as America's spymaster came as investigators struggled to determine what role he and the CIA played in the deal that sent arms to Iran and aid to Nicaraguan rebels.

Casey has been recovering slowly from the removal of a brain tumor last Dec. 18, according to hospital reports, and it is not clear whether he will be able to testify.

One member of the House Select Committee on Intelligence, Rep. Dave McCurdy, D-Okla., said that people who had spoken with Casey reported that "his mind is alert, but he is having difficulty communicating." A lawmaker on the special House committee investigating the Iran-Contra affair, Rep. Michael De Wine, R-Ohio, said that Casey's illness would not stop the panel's work.

"There's more than one way to get the facts out," De Wine told reporters.

Last week's report by the Senate Intelligence Committee shows that Central Intelligence Agency analysts and operatives in Europe and Central American were active on the fringes of both the Iran and the Contra arms supply operations but may not have known of the connection between the two.

The image of Casey that emerges from the report is similar to that of President Reagan: either he kew more about the operations than he has acknowledged or he is a man who delegates great authority to subordinates and pays little attention to detail.

Last Oct. 9, Casey requested a meeting with fired White House aide Oliver North, who engineered both schemes, and was assured that "the CIA is completely clean on the question of any contact with those organizing the funding and operation."On Oct. 15, when the dimensions of the potential scandal became clear to Casey, he advised national security adviser John M. Poindexter that Reagan should make the entire matter public "to avoid having it leak in dribs and drabs. "However, Casey himself kept the link secret when he testified behind closed doors before the committee on Nov. 21, 1986, four days before

Attorney General Edwin Meese III disclosed that proceeds from the arms sales had gone to the Nicaraguan rebels.

The agency's role was further clouded by the revelation that the top CIA officer in Costa Rica, known by the pseudonym Tomas Castillo, was being forced into early retirement for helping North aid the rebels, despite a congressional ban.

Although the CIA insisted that senior agency officials were not implicated, one well-informed source said that two senior CIA officials had authorized Castillo to help North.

In its report, the Senate panel noted that Casey's "testimony was general in nature and was not under oath," and several senators later attributed the vague responses to the then undiagnosed tumor in his brain.

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Several Approved ForgRelease 2005/13/14 h CIA RIP 91 2009,01 R000 6004 9000 22 raised questions that, if pursued, might have exposed the Iran Contra link. But key questions were not asked, and the operations went forward.

In its conclusion, the report said the panel was unable to answer the question: "What role did the CIA and other U.S. government agencies or their officials play in planning and implementing the sale of arms to Iran and the possible diversion of funds to the Nicaraguan resistance?" CIA involvement in the episode began in May 1985 when an agency analyst prepared a report "arguing for a change in U.S. policy that would seek a more constructive relationship with Iranian leaders interested in improved ties with the West," the report said.

That conclusion contributed to the administration decision to approve the shipment by Israel to Iran of 80 Hawk anti-aircraft missiles in November 1985, the report said.

On Saturday, Nov. 23, 1985, North assured Casey's deputy, John McMahon, that the cargo consisted of spare parts for oil drills, and a CIA controlled airline transported the shipment via a European country to Tabriz, northwestern Iran.

On the following Monday, McMahon learned that the cargo was weapons, and requested a presidential directive authorizing the CIA to keep the operation secret from congressional oversight committees.

North told the CIA that such a directive was signed by the president in early December, and placed in Poindexter's safe, according to the report.

Reagan did not sign a presidential directive authorizing the shipments, and the secrecy, until Jan. 17, 1986.

The CIA also opposed the involvement of Iranian middleman Manucher Shorbanifar, who had been described by the agency as a "fabricator" and of

"suspect character" in August 1984.

Nevertherless, North insisted that the administration continue to deal with Enorbanifar, even giving him U.S. "intelligence samples" despite objections by McMahon and other CIA officials that it could provide Iran a battlefield advantage in its war with Iraq.

Casey attended several White House meetings on the Iran arms sales in 1985 and 1986, generally backing the policy, according to the report.

In August 1986, a CIA analyst noted a discrepancy between the prices that North was charging the Iranians and the listed price of TOW missiles and spare parts for Hawk anti-aircraft missiles, and began asking where the money was going.

Additionally, Casey on Oct. 7 was told by Canadian businessman Roy Furmark that money from the arms sales was being diverted to the Contras.

An aide said the CIA director appeared "startled" by the revelation, and he requested the meeting with North, at which Casey was assured that the agency was "clean."